

xc: CR/5K

NUSF-99.42

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February 14, 2019

Mr. Michael Hybl
Executive Director
Nebraska Public Service Commission
300 The Atrium, 1200 "N" Street
Lincoln, NE 68508

RE: In the Matter of the Nebraska Public Service Commission, on its own Motion to administer the Universal Service Fund High-Cost Program: Windstream Nebraska, Inc. Broadband Grant Requests

Dear Mr. Hybl:

Windstream Nebraska, Inc. hereby submits the attached application for broadband funding from the Nebraska Universal Service Fund (NUSF) for a project in the Hastings Exchange. Specifically, Windstream proposes to place a DSLAM site at a remote location approximately 8.7 miles east of the Hastings Central Office, with fiber backhaul to the Central Office location. An electronic version of this filing has also been submitted to the NUSF Staff.

If you have any questions or require any additional information, please let me know.

Sincerely,

Steve Meradith

Enclosures

RECEIVED

FEB 14 2019

Nebraska
Public Service Commission

WINDSTREAM NEBRASKA, INC.

NUSF-99 PRICE CAP APPLICATION – Hastings EXCHANGE 3H

Checklist Item No. 1:

A description of the proposed broadband project including download/upload speed capabilities which can be provided and a description of the proposed network infrastructure to be deployed. Minimum speed standards should be 4 mbps download and 1 mbps upload.

Windstream's Response:

Windstream submits the following project for the Commission's consideration of NUSF-99 broadband funding, to be constructed upon funding approval, using funding available from the 2017 funding allocation.

- Fiber fed DSLAM to serve a portion of the Eastern area of the Hastings, NE ILEC Exchange (full funding requested)

This area of the Hastings Exchange has no broadband service or only up to 1.5Mbps available to 98% of the customers and only 1 customer has 20Mbps available and no customers have higher than 20Mbps. This project intends to address these customers by placing a fiber fed DSLAMs within an appropriate distance to provide a minimum of 10Mbps up to 100Mbps download speeds.

- The project will place a DSLAM site at a remote location approximately 8.7 miles east of the Central Office, along with fiber cable placed from the nearest available existing fiber splice.
- The remote DSLAM will provide the broadband connection to the customers, and have fiber backhaul to the Central Office location.

Windstream projects the total deployment costs for this project is \$72,702 and Windstream is requesting Nebraska Universal Service Funding of \$57,280, not including ROW, IDC, and Tax. The difference between the total project costs and the requested funding is because Windstream is not seeking funding for the areas funded by the FCC's Connect America Fund Phase 2 program or a wireline competitor. Windstream is requesting that the funding for this project be applied against the remaining 2017 funds allotted to Windstream.

Checklist Item No. 2:

A list in Excel Format of all the census blocks where broadband facilities would be deployed for the proposed project, which shall include 2010 Census Block identification number of service area, by project.

Windstream's Response:

See Attached Checklist Item #2.

Checklist Item No. 3:

An estimate of the number of potential new broadband subscribers for each project.

Windstream's Response:

See Attached Checklist Item #3

Checklist Item No. 4:

An estimated schedule for broadband deployment.

Windstream Response:

Windstream stands ready to begin project work immediately upon approval of the application, the deployment schedule will be as indicated in the Attached Checklist Item #4.

Checklist Item No. 5:

A proposed budget, showing total project costs, in electronic format, with a detailed breakdown of the cost elements and a depreciation schedule showing the life of the investment.

Windstream Response:

Please see Attached Checklist Item #5 which also includes the depreciation schedule showing the life of investment for the major plant categories associated with these projects.

Checklist Item No. 6:

Proposed retail pricing, including both monthly recurring costs and nonrecurring costs for the new broadband service(s) to be offered. At a minimum the pricing should reflect the stand alone price for the speeds to be offered to the customer.

Windstream Response:

Attached Checklist Item #6 provides a listing of the retail pricing for the broadband services Windstream will be offering in the proposed service areas. This price list is consistent with Windstream pricing for similar services in other Nebraska exchanges.

Checklist Item No. 7:

The company's commitment to offer broadband services to all households within the service area of the project for a minimum of five (5) years.

Windstream Response:

If approved for funding, Windstream commits to offer broadband service to all households within the service area of the project for a minimum of five (5) years.

Checklist Item No. 8:

An affidavit from the company attesting 1) (a) that the area of the proposed project is a CAF II eligible area and have not refused CAF II funding, or (b) that the area of the proposed project is ineligible for CAF II funding. 2) That the company has done its due diligence to verify that comparable broadband does not already exist in the area of the proposed project. 3) The truth and accuracy of all information included in the project filing.

Windstream Response:

The Affidavit of Brad Brannon is provided in Attached Checklist Item #8.

CHECK LIST #2 CENSUS BLOCKS - Hastings 3H

Criteria for Determining NUSF Eligibility for Census Blocks in Priority Order for Projects Using Fixed Wireless Technology:

- 1) If Census Block is CAF 2 - Not Eligible
- 2) If Census Block has Wireline Competitor with at least 10/1 broadband - Not Eligible
- 3) If Census Block Wireline Competitor is a Neighboring ILEC Sharing Service in the Census Block - Eligible
- 4) If Census Block has a Fixed Wireless Competitor with at least 10/1 Broadband but Does Not Provide Voice - Eligible
- 5) If Census Block has a Fixed Wireless Competitor that receives federal USF - Eligible
- 6) If proposal is for a wireline solution, then Fixed Wireless census blocks are counted - Eligible

Census Blocks	CAF 2 and Form 477 Status	Is Wireline Competitor a Neighboring ILEC? *	Is Project Technology Wireline Based	NUSF Eligibility
310359621002265	CAF2			CAF2
310359621002268	CAF2			CAF2
310359621002282	CAF2			CAF2
310359621002283	CAF2			CAF2
310359621002286	CAF2			CAF2
310359621002287	CAF2			CAF2
310359621002075	Competition - Other	Y	Y	NE BB Eligible
310359621002087	Competition - FW	No Wireline Competitor	Y	NE BB Eligible
310359621002088	Competition - Other	Y	Y	NE BB Eligible
310359621002253	Competition - FW	No Wireline Competitor	Y	NE BB Eligible
310359621002254	Competition - FW	No Wireline Competitor	Y	NE BB Eligible
310359621002255	Competition - FW	No Wireline Competitor	Y	NE BB Eligible
310359621002261	Competition - FW	No Wireline Competitor	Y	NE BB Eligible
310359621002262	Competition - FW	No Wireline Competitor	Y	NE BB Eligible
310359621002263	Competition - FW	No Wireline Competitor	Y	NE BB Eligible
310359621002264	Competition - FW	No Wireline Competitor	Y	NE BB Eligible
310359621002266	Competition - FW	No Wireline Competitor	Y	NE BB Eligible
310359621002267	Competition - FW	No Wireline Competitor	Y	NE BB Eligible
310359621002269	Competition - FW	No Wireline Competitor	Y	NE BB Eligible
310359621002273	Competition - FW	No Wireline Competitor	Y	NE BB Eligible
310359621002279	Competition - FW	No Wireline Competitor	Y	NE BB Eligible
310359621002280	Competition - FW	No Wireline Competitor	Y	NE BB Eligible
310359621002281	Competition - FW	No Wireline Competitor	Y	NE BB Eligible
310359621002284	Competition - FW	No Wireline Competitor	Y	NE BB Eligible
310359621002285	Competition - FW	No Wireline Competitor	Y	NE BB Eligible
310359621002288	Competition - FW	No Wireline Competitor	Y	NE BB Eligible
310359621002289	Competition - FW	No Wireline Competitor	Y	NE BB Eligible
310359621002290	Competition - FW	No Wireline Competitor	Y	NE BB Eligible
310359621002291	Competition - FW	No Wireline Competitor	Y	NE BB Eligible
310359621002296	Competition - FW	No Wireline Competitor	Y	NE BB Eligible
310359621002297	Competition - FW	No Wireline Competitor	Y	NE BB Eligible
310359621002079	Competition - Other	Y	Y	NE BB Eligible
310359621002274	Competition - Other	N		Competition - Other

Summary	# Census Blocks	%
CAF2	6	18.2%
NE BB Eligible	26	78.8%
Competition - FW	0	0.0%
Competition - Other	1	3.0%
Total	33	100%
Eligible for Funding	26	78.8%

Footnote:

* Neighboring ILEC is Hamilton Telephone Company

Check List #3 Subscribers - Hastings Exchange 3H

Exchange	# Locations in Deployment Area
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Hastings	40
Estimated Broadband Take Rate	50%
New Broadband Subscribers	20

50% Take Rate assumption is likely low since broadband is generally not available due to long loop lengths

Checklist Item #4 Estimated Schedule – Hastings Exchange 3H

Proposed Schedule: Total time for project is 120 to 150 days:

	<u>DSLAM Site</u>
Engineering design & approval	30 Calendar Days
Permitting & material acquisition	30 Calendar Days
Equipment deployment, testing, and turn-up	60 to 90 Calendar Days

Schedule is subject to seasonal limitations regarding when construction can commence or be completed.

Check List #5 Budget & Depreciation - Hastings Exchange 3H

Budget

Fiber Build

Item	Labor	Material	Item Total	Quantity	Mat Total	Total	Notes
Fiber Bulldout	\$42,141	\$18,061	\$60,202	1	\$18,061	\$60,202	Placement of 8,800 ft of fiber cable (SRP)
Site Work	\$4,000	\$1,000	\$5,000	1	\$1,000	\$5,000	
Total	\$46,141	\$19,061			\$19,061	\$65,202	

Remote Site

Item	Labor	Material	Item Total	Quantity	Mat Total	Total	Notes
Remote Equipment	\$2,500	\$5,000	\$7,500	1	\$5,000	\$7,500	2-TA1148VXPs AC powered
Total	\$2,500	\$5,000			\$5,000	\$7,500	

Grand Total **\$48,641** **\$24,061** **\$24,061** **\$72,702**

Excluded Costs

ROW	\$0	0				\$0	
IDC	\$24,061	5.0%				\$1,203	
Tax	\$24,061	7.0%				\$1,684	

Total Project Costs **\$72,702**

% of Eligible Census Blocks from Checklist #2 78.8%

Requested Funding Amount **\$57,280**

Depreciation Lives

Life in Years

Digital Circuit - ADSL	8
Poles	25
Buried Cable - Fiberoptic	25

Check List #6 Pricing - Hastings Exchange 3H

Price for Internet Only (HSI Simple or Solo Internet)				
Speed		Standard Price	Current Promo	Net Price
Up to 25Mb		\$45	\$10 off for 12 months	\$35
50Mb		\$45	\$10 off for 12 months	\$35
100Mb		\$45	\$10 off for 12 months	\$35
1 Gbps		\$75	\$20 off for 12 months	\$55

Price for Internet + Bundle Phone Adder				
Speed		Standard Price	Current Promo	Net Price
Up to 25Mb		\$65	\$10 off for 12 months	\$55
50Mb		\$65	\$10 off for 12 months	\$55
100Mb		\$65	\$10 off for 12 months	\$55
1 Gbps		\$95	\$20 off for 12 months	\$75

\$50 Activation Fee and Free Professional Installation

AFFIDAVIT OF BRAD BRANNON

I, Brad Brannon, being first duly sworn upon oath, state as follows:

1. I am currently employed by Windstream as the Vice President Consumer & Small Business - Business Intelligence. In that capacity, I am personally familiar with the company's network structure in Nebraska.
2. I have reviewed the foregoing project filing and certify that (a) the areas of the proposed project are CAF II eligible areas and have not refused CAF II funding, or the areas of the proposed project are ineligible for CAF II funding; (b) Windstream has done its due diligence to verify that comparable broadband does not already exist in the areas of the proposed project that we are requesting funding; and (c) all information included in the project filing is true and accurate to the best of my knowledge and belief.



Brad Brannon

ACKNOWLEDGMENT

STATE OF ARKANSAS)

:SS

COUNTY OF PULASKI

Subscribed, sworn to and acknowledged before me on this 31st day of January, 2019
by Brad Brannon



Notary Public

My Commission Expires:

January 17, 2024

